GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1763
ANSWERED ON:10.03.2017
Rural Bank Branches
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Will the Minister of FINANCE be pleased to state:

(a) whether there has been large scale closure of rural bank branches during the last three years;
(b) if so, the details thereof along with the number of unbanked villages in the country;
(c) whether the Public Sector Banks have been given any target for opening new branches in the unbanked villages, if so, the details thereof; and
(d) the steps taken by the Government to increase the number of rural bank branches in the country?

Answer

The Minister of State in the Ministry of Finance

(a) to (d) Based on information received from the Reserve Bank of India (RBI), there is no large scale closure of rural bank branches during the last three years.

As per RBI guidelines, Domestic Scheduled Commercial Banks excluding RRBs have been given general permission to open branches at any place in India, without seeking prior approval of RBI in each case subject to certain conditions. At least 25% of total number of branches opened during the financial year must be opened in unbanked rural centres.

Number of branches opened by Public Sector Banks (PSB) in unbanked rural centres is 1994 during 2013-14, 1242 during 2014-15, 654 during 2015-16 and 379 during 2016-17 (April, 2016 to January, 2017) based on information received from PSBs.

To cover villages, 1.59 lakh Sub service areas (SSAs) have been created, where each SSA comprises of 1,000 to 1,500 households. As on 24.2.2017, 33,013 SSAs are covered through bank branches and 1.26 lakh SSAs are covered though fixed location Bank Mitra.

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